



***Air Force  
Information Technology  
Commodity Council***

***DLS SB Industry Day***

***28 Jul 2004***

**One Air Force...One Network...One IT Business**



# OUTLINE

- **ITCC Background**
- **DLS Strategy Overview**
- **ITCC Supplier Expectations**



# Transformation Begins with Changing Behavior

## Strategic Activities

Market knowledge  
Supply base management  
Commodity strategy  
Risk management  
Sourcing strategy  
Supplier capability assessment

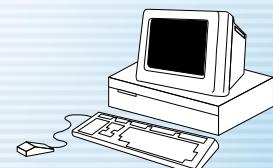
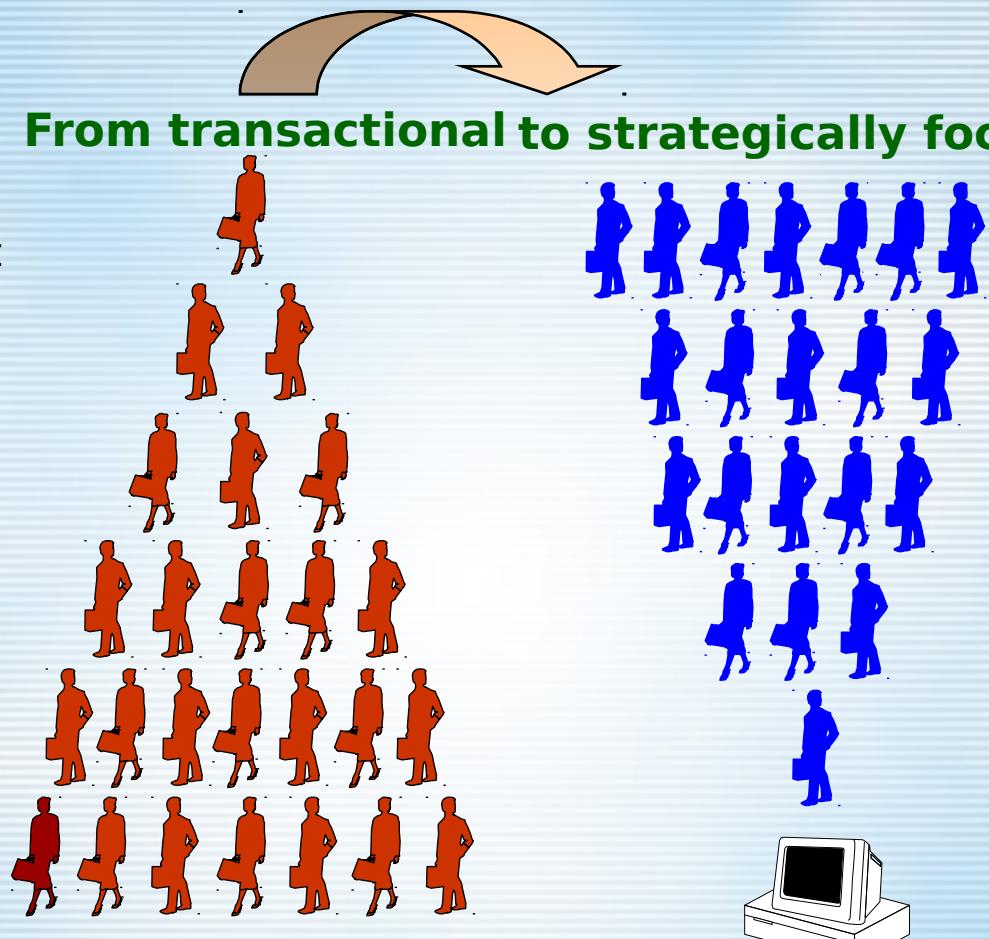
Strategic negotiation  
Supplier selection  
Supplier development  
Establish performance metrics

Supplier performance evaluation/reporting  
Commercial (tactical) negotiation  
Order processing



## Tactical

## From transactional to strategically focused





# ITCC VISION/MISSION

- **Vision:**

*One Air Force...One Network...One IT Business Strategy*

- **Mission:**

**Develop IT commodity strategies which shape Air Force buying and asset management behavior in order to leverage Air Force buying power and reduce total cost of ownership.**



# BACKGROUND

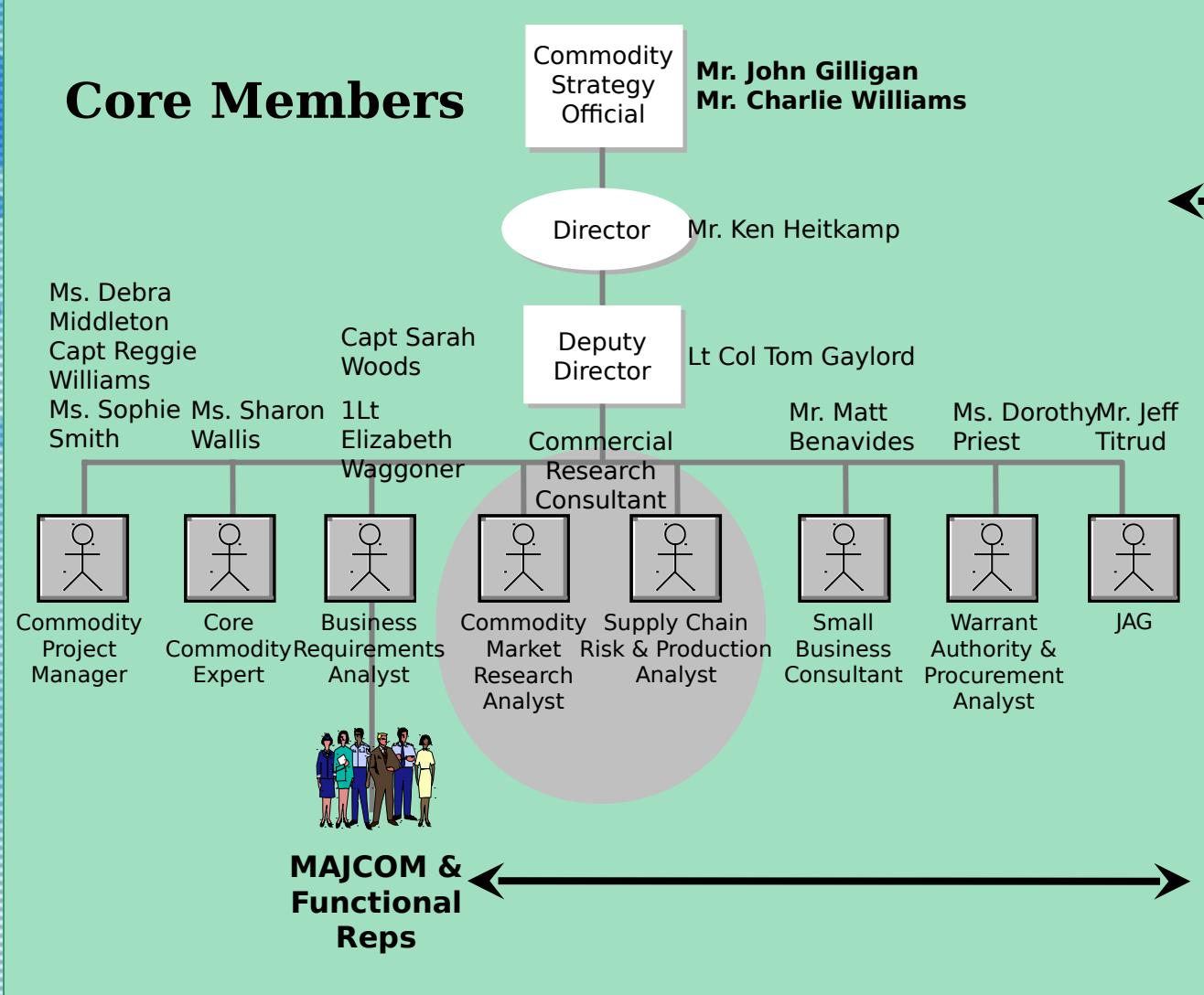
- **'Commodity Council' = cross-functional sourcing team**
  - **Develop enterprise-wide procurement strategies**
  - **Integrate customers and suppliers**
  - **Drive commonality and standardization**
  - **Leverage purchasing volume**
- **21 Jul 03 - AF-CIO and SAF/AQC established ITCC to develop IT buying, acquisition, and life-cycle management strategies and to transition the Air Force from tactical to strategic buying**



# ITCC GOVERNANCE:

## Horizontal Cross Functional Organization

### Core Members



### Advisors

- AF-CIO/PT
- SAF/AQCA
- DoD ESI WG
- EXCOM
- JAG
- Commodity Regulatory Expert
- Standards & Architecture Experts
- Business Process Analysts
- Commodity Experts
- Policy Experts
- Industry Commodity Consultants
- HQ AF Commodity User Reps
- Org Change Mgr & Training for ITCC Process
- Commodity Cost & Pricing Data Analyst
- Economic Analyst
- Financial Analyst

### MAJCOM/Functional Reps/Commodity Stakeholders

ACC	AFSPC	AF/ILC
AETC	ANG	AF/XIC
AMC	PACAF	AF/XIW
AFMC	USAFE	SAF/AQC
AFRC	AF/SG	AF-CIO
AFSOC	SAF/FM	SSG
		AFCA



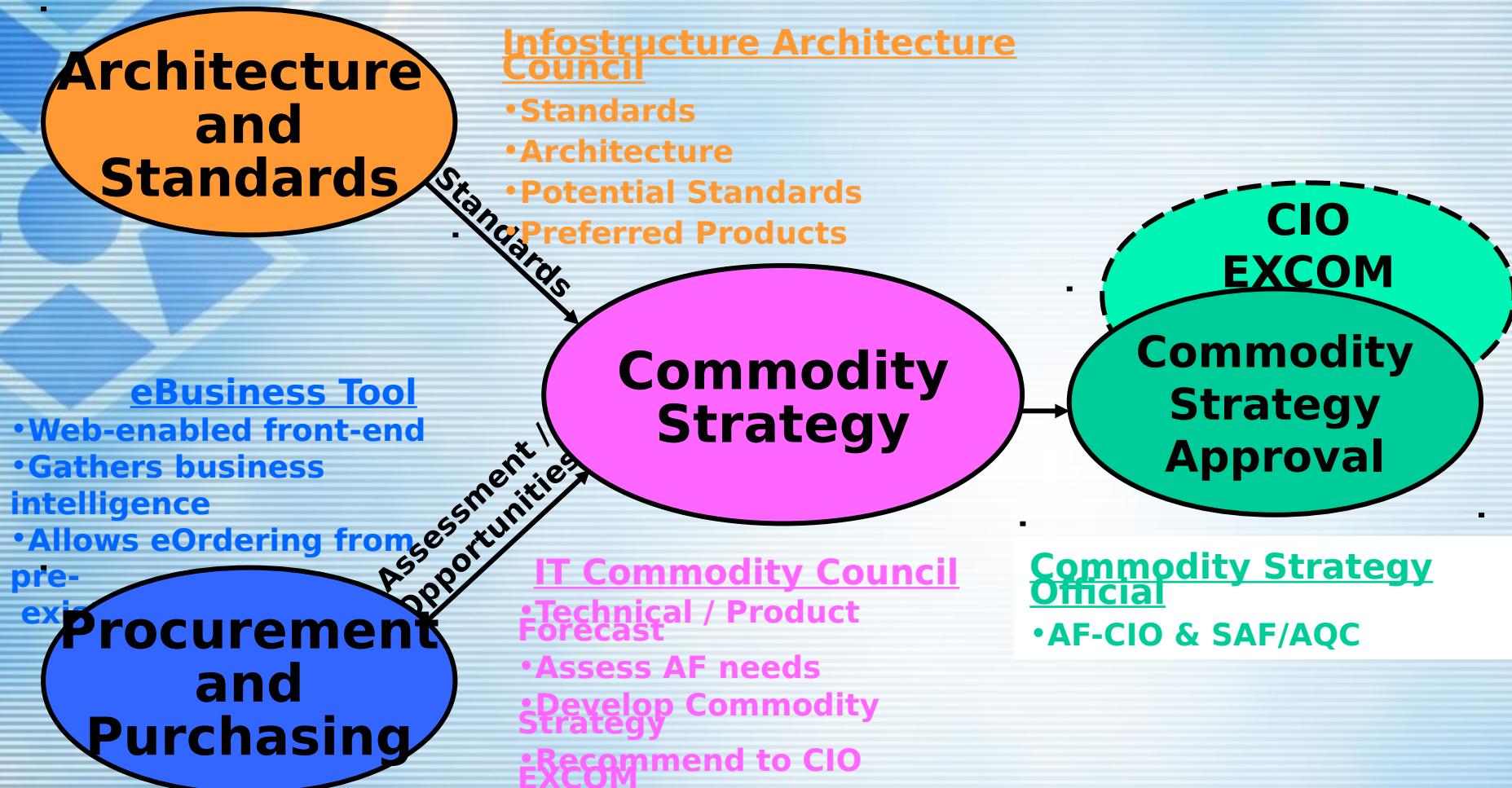
# BACKGROUND: Commercial IT Market Domain

Hardware				IT Services		Software		Telecom	
Client Computing	Enterprise Computing	Storage Subsystems and	Digital Printing and Imaging	Product Support	Professional Services	Infrastructure Software	Application Software	Telecom Equipment	Telecom Services
Personal Computers Workstations Personal Digital Assistants	Servers Server Applications Storage Network Infrastructure Storage Management Software Other Storage Subsystems	Raid-based Storage Systems Storage Network Infrastructure Storage Management Software Other Storage Subsystems	Copiers Printers Scanners Faxes MFD's	Hardware Maintenance and Support Software Maintenance and Support Faxes MFD's	Consulting Development and Integration and Process Management IT Management	Applications Development and Middleware Information Management Systems and Network Management	Front Office/CRM Back Office/ERP and Supply Chain Collaborative and Personal Engineering	Infrastructure Equipment Enterprise Equipment Mobile Handsets	Fixed Voice Services Fixed Data Services Mobile Telecom Services Wholesale/Carrier Services

ITCC to build commodity strategies for commercial IT products and services that are normally not part of a weapon system



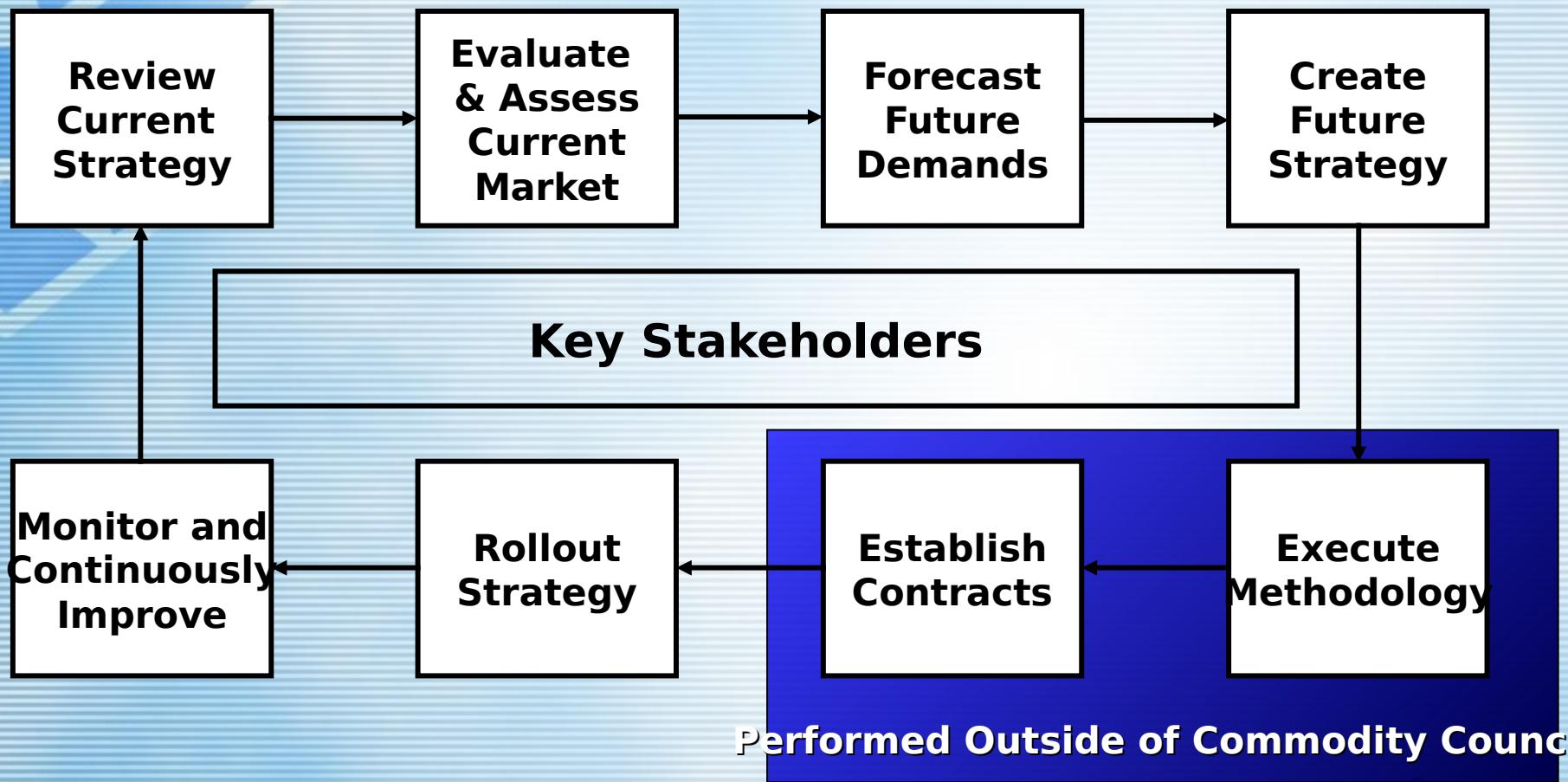
# ITCC GOVERNANCE: Structure





# ITCC Strategy Development Process

Each Commodity Council will have adequate cross-functional representation and will utilize a standardized process





# ITCC Accomplishments/Way Ahead

- Developed buying, contracting and life-cycle strategy for Desktops/Laptops
- Completed 3 Quarterly Enterprise Buys (\$41.5M)
  - Established AF “Mainstream” configurations
  - Increased AF buying power by over 22%
- Rolling out “approved” Desktop/Laptop strategy (Jan - Jun)
  - Establishing new enterprise BPAs
  - Updated buying process for mainstream PC's
  - Incorporate life-cycle initiatives (e.g. disposal)
- Next strategy: Net-Centric Digital Printing and Imaging

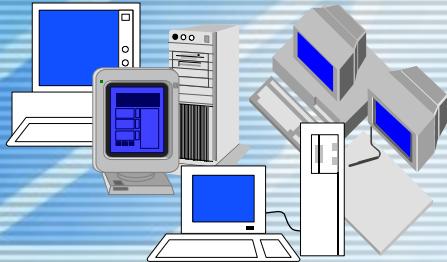


# ***Desktop, Laptop & Server Replacement Strategy***

## **Overview**



# Major Buying Strategy Pillars

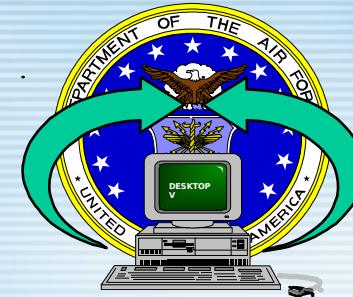


**E-procurement with AFWay**



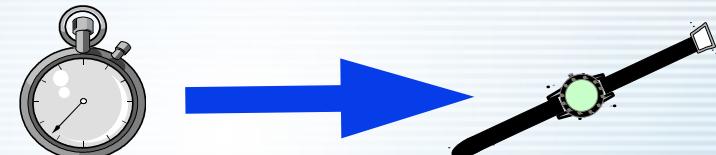
**MAJCOM Co-operative**

- **Mainstream Configs**
- **Leverage Spend**
- **Best value**
- **Spot bid**
- **Employee Purchases**



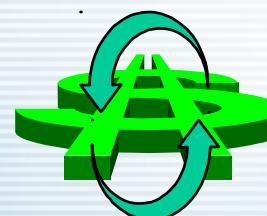
**USAF "Mainstream" Configurations**

- **Buying standards (3-4 yr life)**
- **Operational standards for life cycle**
- **Program offices expected to use**



**Technology Refreshment**

- **Keep pace with market speeds**
- **Carefully consider architectural changes**



**Leverage Spend with Tiered Pricing**

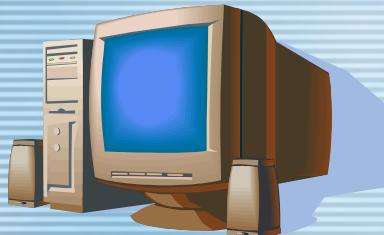


# Approved USAF “Mainstream Buying Standards”

## Desktop Computers

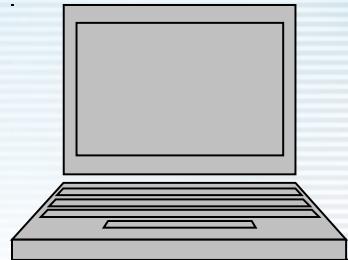


**“Mainstream” Desktop**  
(Small Desktop Form Factor)



**“Expandable” Mini-Tower**

## Notebook/Laptop Computer



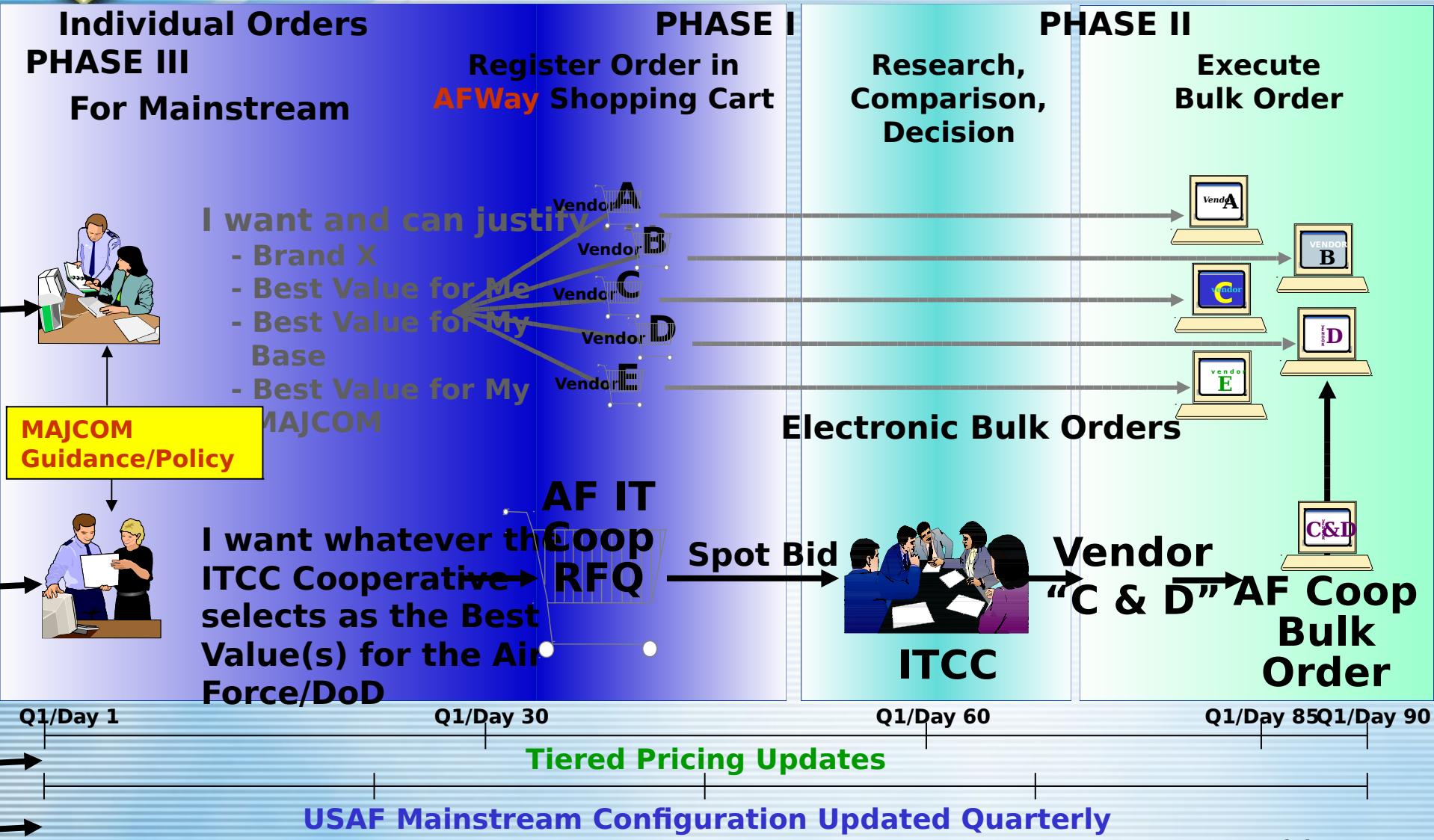
**“Mainstream” Notebook**



**Lightweight Notebook**



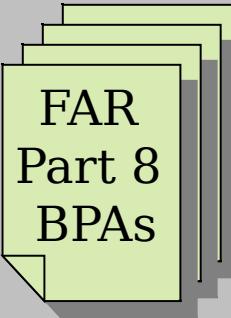
# AIR FORCE QUARTERLY ENTERPRISE BUY PROCESS



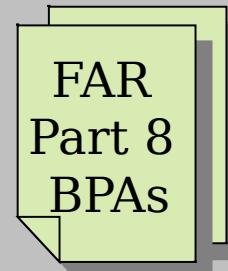


# Contracting Strategy

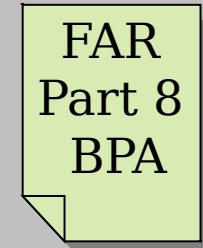
## 7 Enterprise Strategic Suppliers



4 - LB OEMs  
(Dell, HP,  
Gateway,  
MPC)



2 - SB Resellers

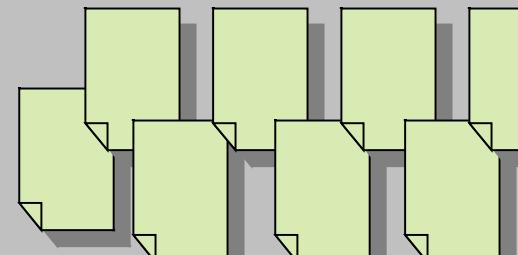
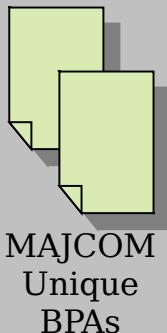


1 - SB OEM  
(TBD)

Products available on  
AFWay

- 5 yr term w/ annual review
  - May drop, add or replace suppliers
- Support “Enterprise Needs”
  - “Mainstream” Configs
  - Source for QEB orders
- Compete at D.O. level
- Special and “mainstream” reqs
- Support AF SB goals

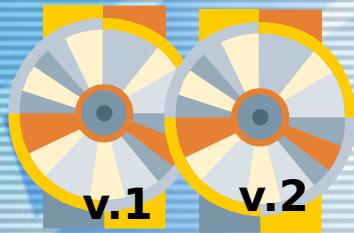
## Many Local SB's



Registered on AFWay



# Life-cycle Strategy Pillars



## AF Software

### Image Management

- AF Common Configuration
- Standard System Mgt
- Get current, stay current

Planned 3-4 Yr lifecycles



## Disposition Planning and Services

- Trade In
- Disposal

Centralized POM & AF Funding of Enterprise S/W Licenses



Asset Tagging and Electronic Data Capture



# Policy Implementation

- **Joint AF-CIO and SAF/AQC policy signed 13 Jul 2004**
  - **Mandates use of i-TRM buying standards**
  - **Mandates use of Quarterly Enterprise Buy Process or SB purchase for all planned buys**
  - **Establishes SB spending targets for MAJCOM and Enterprise Buy Process**
    - **6% MAJCOM target; 6% QEB target; 12% overall goal**
  - **MAJCOM or agency CIO waiver required to deviate**



# **ITCC Way Ahead for DLS**

- **Sustain “Mainstream” configurations**
  - Conduct quarterly reviews & technology roadmaps
  - Provide QEB decision support
- **Support move to an AF common S/W configuration**
  - Leverage Microsoft Licensing Agreements
  - Help AF establish a “Desktop Management Office”
- **Standardize:**
  - Vendor installation services
  - Streamlined disposition process
  - Asset tagging
- **Support improved ordering w/ “New” AFWay**
- **Improve spending visibility**



# *ITCC Expectations of Strategic Suppliers*

- **Support AF Mainstream Configurations**
  - Increase buying standard visibility through sales channel
  - Participate in AF technology roadmap planning
- **Facilitate AFWay improvements to simplify customer ordering**
- **Provide ITCC access to AF spend, reliability, warranty & service call data**
- **Facilitate AF life-cycle strategy initiatives**
  - Software imaging of AF standard S/W config
  - Disposition, installation & asset tagging
- **“Premier-level” customer support**
- **“Best-available” pricing IAW our buying volume**



# ***Summary***

- AF has a new “strategic” buying focus
- Seeking a valuable “supplier partnership”
- Significant, but competitive, opportunity for large and small business



# BACKUPS



# 4QFY04 Mainstream Desktop Configuration

## Mainstream Desktop Configuration (Small Form Factor)

CPU: 3.0 GHz (Pentium 4), 800 MHz FSB, 1MB L2 cache

Chipset: 865G

Memory: 512 MB (DDR)

Operating System: i-TRM Mainstream Microsoft Operating System

Hard Drive: 80 GB (7200 RPM)

Optical Drive: 48X/24X/48X CD-RW/DVD Combo

Video: Integrated 32 MB Intel Extreme AGP

Audio: Integrated 16-bit Sound Blaster compatible

Network Support: 10/100/1000 NIC

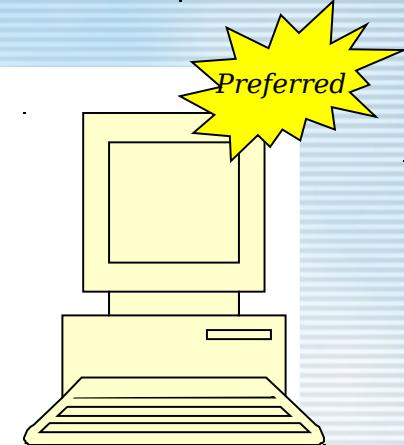
Ports: 1 RS232D Serial, 1 Parallel, 4 USB 2.0 (2 front, 2 back)

Keyboard: 104-Key Enhanced keyboard with approved CAC reader

Mouse: 2-button MS-compatible optical scrolling mouse (PS2 or USB)

Warranty: 3 Year

Form Factor: Small Form Factor

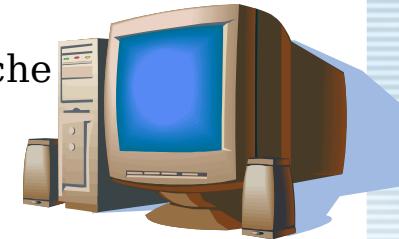




# 4QFY04 Expandable Mini-Tower Configuration

## Mini-Tower Configuration

CPU:	3.0 GHz (Pentium 4); 800 MHz FSB, 1MB L2 cache
Chipset:	865G
Memory:	512 MB (DDR)
Operating System:	i-TRM Mainstream Microsoft Operating System
Hard Drive:	80 GB (7200 RPM)
Optical Drive:	48X/24X/48X CD-RW/DVD Combo
Video:	Integrated 32 MB Intel Extreme AGP
Audio:	Integrated 16-bit Sound Blaster compatible
Network Support:	10/100/1000 NIC
Ports:	1 RS232D Serial, 1 Parallel, 4 USB 2.0 (2 front, 2 back)
Keyboard:	104-Key Enhanced keyboard with approved CAC reader
Mouse:	2-button MS-compatible optical scrolling mouse (PS2 or USB)
Warranty:	3 Year
Form Factor:	Mini-Tower

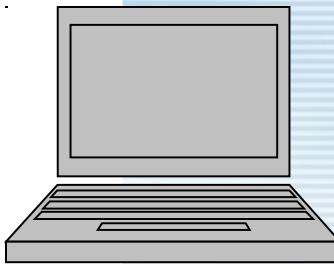




# 4QFY04 Mainstream Notebook/Laptop Configuration

## Mainstream Notebook/Laptop

CPU:	1.7 GHz (Pentium M)
Weight:	7lbs or less
Chipset:	855
Memory:	512 MB (DDR)
Operating System:	i-TRM Mainstream Microsoft Operating System
Hard Drive:	40 GB (5400 RPM)
Removable:	DVD, CD-RW (May be combo)
Video:	Integrated 32 MB AGP
Monitor:	14.1" XGA Active Matrix (TFT)
Audio:	Integrated 16-bit Sound Blaster compatible
Network Support:	10/100 Base-T NIC
Wireless:	802.11g
Modem:	56K/v.92
Ports:	1 RS232D Serial, 1 Parallel, 2 USB 2.0
Mouse:	(Not included in base system—see upgrades/options)
PCMCIA Slots:	2 Type II or 1 Type III slot
CAC Card Reader:	(Not included in baseline configuration) <sup>1</sup>
Warranty:	3 Year





# 4QFY04 Lightweight Notebook/Laptop Configuration

## Lightweight Notebook/Laptop

CPU:	1.7 GHz (Pentium M)
Weight:	4.7lbs or less
Chipset:	855
Memory:	512 MB (DDR)
Operating System:	i-TRM Mainstream Microsoft Operating System
Hard Drive:	40 GB (5400 RPM)
Optical Drive(s):	DVD, CD-RW (May be combo)
Video:	Integrated 32 MB AGP
Monitor:	12.1" XGA Active Matrix (TFT)
Audio:	Integrated 16-bit Sound Blaster compatible
Network Support:	10/100 Base-T NIC
Wireless:	802.11g
Modem:	56K/v.92
Ports:	1 RS232D Serial, 1 Parallel, 1 USB 2.0
Mouse:	(Not included in baseline configuration--see upgrades/options)
PCMCIA Slots:	1 Type II
CAC Card Reader:	(Not included in baseline configuration) <sup>1</sup>
Warranty:	3 Year

